

***CALIFORNIA INDUSTRIAL DEVELOPMENT
FINANCING ADVISORY COMMISSION (CIDFAC)***

**INDUSTRIAL DEVELOPMENT BOND – EMPOWERMENT ZONE BOND PROGRAM
APPLICATION**

APPLICANT (Issuer):_____

PROJECT SPONSOR (Borrower):_____

PROJECT NAME:_____

We, the undersigned, hereby make Application to the California Industrial Development Financing Advisory Commission (CIDFAC) for its determinations under Government Code section 91531, of the industrial development Empowerment Zone Bond Project as described herein.

We agree it is our responsibility to provide two copies of a complete Application that bear original signatures accompanied by one check payable to CIDFAC in the amount of \$1,250.00. We understand that thorough and complete answers to the requested information are required. We understand that if additional space is required, each additional page will be clearly labeled. We agree that it is also our responsibility to provide all information that is deemed by CIDFAC to be necessary to evaluate our Application. We understand that CIDFAC may verify the information provided and analyze materials submitted as well as conduct their own investigation to evaluate the Application. **We understand that we have a continuing duty to inform CIDFAC when any information in the Application or supplemental materials is no longer accurate and immediately supply CIDFAC with updated information prior to the bond issuance.**

We understand that at the time of bond closing, additional closing fees will be owing to CIDFAC other than the amounts specified on page one of this Application. We represent that we have read the pertinent sections of the CIDFAC Regulations regarding fees. [California Code of Regulations, Title 10, Chapter 8, Article 3, Section 6070 et seq.]

The Project Sponsor (Borrower) and the Applicant each declares that the information contained in the Application, exhibits, attachments, and any supplemental documentation is true and correct to the best of its knowledge and belief, or is not aware of any information that would cause it to believe that the Application contains any untrue information or omits to state any material information. We understand that misrepresentation may result in the cancellation of an approved Application, and other actions, which CIDFAC is authorized to take.

We have sought advice from counsel as to whether the issuance of the bonds for the purposes described herein is exempt from any requirement that an allocation of State volume cap be received from the California Debt Limit Allocation Committee (“CDLAC”). In our sole discretion, relying upon that legal advice, and not upon any advice received or sought from CIDFAC, we have not applied for an allocation of State volume cap from CDLAC. We understand that CIDFAC has not made any determination as to whether the bonds or the project described herein qualify for an exemption from any State volume cap requirement.

We agree to hold CIDFAC and its members, officers, agents and employees harmless from any actions or costs arising from our decision regarding State volume cap allocation and any other acts or omissions taken by us or CIDFAC in relation to this application process.

We acknowledge that all Application materials are to be delivered to CIDFAC at the address below, no later than 30 calendar days before the next scheduled CIDFAC meeting.

The Project Sponsor (Borrower) and the Applicant (Issuer) each declares under penalty of perjury that the information contained in the Application, exhibits and attachments is true and correct to the best of its knowledge and belief. The Project Sponsor and Applicant are not aware of any information that would cause them to believe that the Application contains any untrue information or omits to state any material information. The Project Sponsor and Applicant understand that misrepresentation may result in the cancellation of an approved Application, and other actions, which CIDFAC is authorized to take.

The Project Sponsor understands that any further or supplemental information or documentation required to be provided shall be accompanied by a declaration under penalty of perjury that the supplemental information or documentation is true and correct to the best of the Project Sponsor's knowledge and belief.

We acknowledge that any materials provided to CIDFAC may be considered public records subject to disclosure pursuant to the California Public Records Act.

**California Industrial Development
Financing Advisory Commission (CIDFAC)
Industrial Development Bond-
Small Business Program
915 Capitol Mall, Room 457
Sacramento, California 95814**

Signature of Applicant's (Issuer) Senior Official ¹

Print Name

Title

Date: _____

Signature of Project Sponsor (Borrower) ²

Print Name

Title

Date: _____

This application has been approved by the applicable public agency (as defined in Government Code Section 91504) Additional information may be obtained by accessing the California Industrial Development Financing Advisory Commission (CIDFAC) web site at <http://www.treasurer.ca.gov/Boards.htm> or by calling CIDFAC at (916) 653 3843.

¹ The person signing this Application warrants that he/she is an agent of the Applicant (Issuer) and is duly authorized to represent the Issuer.

² The person signing this Application warrants that he/she is an agent of the Project Sponsor (Borrower) and is duly authorized to represent the Borrower.

THE CALIFORNIA INDUSTRIAL DEVELOPMENT
FINANCING ADVISORY COMMISSION (CIDFAC)
INDUSTRIAL DEVELOPMENT BOND – EMPOWERMENT ZONE BOND PROGRAM (EZB)

Part I: Empowerment Zone Bond Program (EZB) Minimum Requirements

This program applies to manufacturers, retailers and any service that operates in an “empowerment zone”, as designated in Title 26, United States Code, section 1391, subdivision (g). A Program Sponsor (Borrower) requesting Application approval and the project sought to be financed must meet the requirements for an “empowerment zone facility bond” as that term is used in Title 26 United States Code, section 1394, which include the following Minimum Requirements:

- At least 35% of the employees of an Empowerment Zone business (“EZ Business”) must be residents of the Empowerment Zone.
- At least 50% of the total gross income of an EZ Business must be derived from the active conduct of such business.
- 85% of the use of the tangible property of an EZ Business (whether owned or leased) must be used in active conduct of such business.
- 85% of the intangible property of an EZ Business must be used in active conduct of such business
- 85% of the services performed for an EZ Business by its employees must be performed in the Empowerment Zone.
- Less than 5% of the aggregate unadjusted bases of the property of an EZ Business must be attributable to collectibles.
- Less than 5% of the average of the aggregate unadjusted bases of the property of an EZ Business must be attributable to debt, stock, partnership interest, options, warrants or other similar property specified in the Internal Revenue Code or the regulations.
- The EZ Business must finance property that qualifies as “Qualified Zone Property.” Qualified Zone Property generally consists of a capital asset to which the straightline depreciation method applies and to which the original use begins with the EZ Business.
- The Borrower must provide documentation of the applicable discretionary use permits and approvals from federal, state or local planning agencies for the proposed project at the time of Application.

Part II: Financing Team Information

APPLICANT (ISSUER)

Name of Issuing Agency:

Name of Senior Official:

Telephone:

Title of Senior Official:

Fax:

Mailing Address:

E-Mail

City:

State:

Zip Code:

Issuers Federal Identification No.:

PUBLIC JURISDICTION (jurisdiction in which proposed Project is located, if different from above)

Name of Jurisdiction:

Name of Contact Person:

Telephone:

Title of Contact Person:

Fax:

Mailing Address:

E-Mail:

City:

State:

Zip Code:

ISSUER CONTACT (Staff person who can answer questions regarding this Application)

Name of Staff Person:

Telephone:

Title of Staff Person:

Fax:

Name of Agency (if different from #1 above):

E-Mail:

Mailing Address:

City:

State:

Zip Code:

FINANCING TEAM MEMBERS

1. Bond Counsel

Name of Firm:

Name of Attorney:

Telephone:

Mailing Address:

Fax:

City:

E-Mail:

State:

Zip Code:

2. Bond Underwriter

Name of Firm:

Name of Contact:

Telephone:

Mailing Address:

Fax:

City:

E-Mail:

State:

Zip Code:

3. Private Placement Agent (if applicable)

Name of Firm:

Name of Contact:

Telephone:

Mailing Address:

Fax:

City:

E-Mail:

State:

Zip Code:

4. Private Placement Bond Purchaser (if applicable)

Name of Firm:

Name of Contact:

Telephone:

Mailing Address:

Fax:

City:

E-Mail:

State:

Zip Code:

5. Credit Enhancement Provider

Name of Firm:

Name of Contact:

Telephone:

Mailing Address:

Fax:

City:

E-Mail:

State:

Zip Code:

6. Financial Advisor/Consultant

Name of Firm:

Name of Contact:

Telephone:

Mailing Address:

Fax:

City:

E-Mail:

State:

Zip Code:

7. Trustee

Name of Firm:

Name of Contact:

Telephone:

Mailing Address:

Fax:

City:

E-Mail:

State:

Zip Code:

8. Other Participant

Name of Firm:

Name of Contact:

Telephone:

Mailing Address:

Fax:

City:

E-Mail:

State:

Zip Code:

Part III: Bond issue Information

1. Amount requested:
2. Proposed date of bond issuance and proposed terms:

3. Date of Inducement: [Attach copy of Adopted Inducement Resolution] [Label Attachment “A”]
4. Date of TEFRA Hearing: [Copy of Signed Resolution] [Label Attachment “B”]
5. Indicate whether the bonds will be variable or fixed rate:
If bonds carry a variable rate:
a. Identify the index.
- b. How frequently will the bonds be remarketed and by whom?
- c. Is there a feature to allow a conversion to a fixed rate at some time in the future? If so, under what conditions and when?
6. Indicate whether bonds will be sold in a public offering or in a private placement:
7. Indicate if the bond issue will be used to refund an outstanding issue:
8. Briefly describe credit enhancement structure or private placement transaction: (Attach copy of letter of credit commitment or private placement purchase contract) [Label Attachment “C”]
9. Anticipated bond rating:
Rating: Date Rating Anticipated:
Fitch:
Moody’s:
Standard & Poor’s:
Other:

Part IV: Project Sponsor (Borrower) Information

- 1. Unless otherwise indicated, answer the following questions for both the Project Sponsor (Borrower) and if the user of the facility will be other than the Project Sponsor (Borrower), the user of the project.** (If additional space is needed an attachment may be added)

- A. Official business name, address, telephone number, fax number, e-mail address and contact person:
- B. Any “Doing Business As” names:
- C. Address of Borrower’s headquarters, if different from address in “A” above:
- D. Address of the User, if different from address in “A” above.
- E. Other operating locations in California:
- F. The legal structure of the Borrower (i.e. corporation, partnership, or sole proprietorship): [Provide evidence of ownership structure] [Label Attachment “G”]
 - i. Major Shareholders (10% or more)
 - ii. Date and place of incorporation
- G. Federal Tax Identification Numbers, as well as IRS office where tax returns are filed:
- H. Standard Industrial Code (SIC) number or the North American Industry Classification System (NAICS):
- I. Description of principal products and/or services of user:
- J. Major customers of user’s products, identifying specific companies and types of customers (i.e. discount retailer):
- K. Description of present physical facilities, including size and use of facility:
- L. Other tax-exempt financings currently outstanding:

- M. If the Borrower or user is an owner or subsidiary of or affiliated directly or indirectly with any other business or organization, indicate the relationship:
- N. Attach the Financial Statements of the Borrower for the past three years: (For public corporations, these should be the latest 10K's. For private companies, these should be the financial statements, either a compilation or audited.) [Label Attachment "E"]
- O. Using Attachment "J" Provide certification from the jurisdiction in which the **proposed project** is located evidencing the status of all required approvals and or permits.
- P. Relocation
If financing is required for relocation of a facility within the State of California, attach documentation that contains all of the following information (1 through 3) [Label Attachment "I"]:
1. The relocation is due to one of the following:
 - i. An inadequacy of the existing facility.
 - ii. A significant change in the company's operations that would require a different location.
 - iii. A building moratorium where the existing facility is located.
 - iv. Expiration of the existing lease and proof that it cannot be renewed on reasonable economic terms.
 - v. An economic need to move closer to the company's customers or supplies.
 - vi. Inability to find adequate expansion space in the existing community.
 - vii. Other.
 2. Whether the Project Sponsor or user will retain its current employees at the new facility. If so, describe the steps the company will take to mitigate the effects of the relocation on its current employees. Examples of measures include relocation expenses or transportation assistance.
 3. Whether the relocation is necessary to prevent the relocation of substantial operations of the company outside of the State, or the abandonment of substantial operations of the company. If so, document.

Part V: Project Information

1. Project Name:

2. Project Street Address (Include city, county and zip code):

3. Describe the Project to be financed. Indicate by a “YES” or “NO” whether the Project Sponsor (Borrower) currently owns the Project site. If Project Sponsor (Borrower) does not own the site, attach a description of escrow agreement, lease agreement, options or other evidence of the Project Sponsor’s (Borrower’s) plan to lease the site or acquire the site. [If more space is necessary, label as Attachment “F”]

Proposed Project Description (Attachment “F”) includes all of the following:

- A. Description of project, including whether it constitutes a renovation or new construction, the number of square feet to be constructed/renovated, the type of equipment being purchased and any other pertinent information.**
- B. Estimated time of construction or renovation, including start date and completion date.**
- C. Principal products, users and activities of project, including SIC or NAICS Code of activity to be financed.**
- D. Estimated useful life of buildings and/or equipment.**
- E. Brief narrative describing purpose of project, explaining the business rationale and economic benefits to be achieved from the project.**

4. Cost of the Project: State the total costs associated with the acquisition of the site and construction of the proposed project, including any utilities and proposed machinery and equipment purchases. Separate the costs based on their financing sources. For instance, the left column should total the bond amount; whereas, the sum of both columns should equal the total project costs paid from all sources.

	To Be Paid From Bond Proceeds	To Be Paid From All Other Sources
Acquisition of Land ³	_____	_____
Acquisition of Existing Buildings	_____	_____
Fees and Other Charges Related to Sale	_____	_____
Rehabilitation of Existing Building(s)	_____	_____
Site Preparation	_____	_____
Construction of New Building(s)	_____	_____
Utilities Connection	_____	_____
Interest During Construction		
From _____ To _____	_____	_____
Interest Income During Construction		
From _____ To _____	_____	_____
Other (please explain)	_____	_____
Acquisition and Installation of Used Equipment	_____	_____
Acquisition and Installation of New Equipment	_____	_____
(a) Invoice	_____	_____
(b) Installation	_____	_____
(c) Other (please explain)	_____	_____
Engineering/Architecture	_____	_____
Legal, Permits, etc.	_____	_____
Bond Issuance Expenses ⁴ (including discount)	_____	_____
Letter of Credit or Bond Issuance Fee	_____	_____
TOTAL	\$ _____	\$ _____

PLEASE PROVIDE INFORMATION ON THE FOLLOWING:

Job Creation/Job Retention – Using the chart in Attachment P, provide the Project Sponsor or user's current figures on employment payroll and sales volume, and the best estimate of these figures at project completion and two years after project completion. In addition, please complete the Project Site section on the attached job creation/retention table. All responses are to be based on average monthly hours worked.

HEALTH AND OTHER EMPLOYEE BENEFITS:

Monthly Employer Contribution:

- ☐ Medical \$ _____
☐ Dental \$ _____
☐ Vision \$ _____
☐ Child-Care \$ _____
☐ Other \$ _____

Describe: _____

Monthly Employee Contribution:

- ☐ Medical \$ _____
☐ Dental \$ _____
☐ Vision \$ _____
☐ Other \$ _____

Describe: _____

ENERGY EFFICIENCY:

- ☐ The project is located within a Public Transit Corridor.

Describe: _____

- ☐ The project has adopted a transportation system management plan.

Explain: _____

- ☐ The project will utilize designs, materials or techniques to reduce energy usage at the project by at least fifteen percent (15%) below Title 24, section 6 standards (Energy Efficiency Standards for Residential and Nonresidential Buildings).

Explain: _____

- ☐ Other: _____

Please describe any other energy efficiencies that the project will utilize.

CONSUMER BENEFITS:

Provide information on whether consumer benefits arising out of the use of the facilities may ensue by any of the following:

- A. Improvement of the quantity or quality or reduction in the price of products, energy, or related services or facilities, the value of which may be expressed in terms of quantity and price differentials.
- B. Production of new or improved products, or related services or facilities, the value of which may be expressed in terms of quantity and price.
- C. The transfer of ownership of a business or place of work which has closed or is in danger of closing, to its employees for the purpose of formation of an employee-owned corporation, as defined in Title 10, California Industrial Development Financing Act, section 91502.1, subdivision (c) of the Government Code.

LEGAL STATUS OF APPLICANT AND PROGRAM SPONSOR (BORROWER)

Applicant is required to complete Attachment “O”, “Legal Status of Applicant and Project Sponsor.” “Applicant” shall include, in addition to the entity itself, officers, directors, principals and senior executives if Applicant is a for-profit or not-for-profit corporation or affiliate, or partners if Applicant is a partnership, or members or managers if Applicant is a limited liability company. The term “Applicant” shall include both Applicant and Project Sponsor.

Part VI: Application Check list:

EMPOWERMENT ZONE BUSINESS PROGRAM (EZB)

Application Documents Checklist

All attachments listed in the CDLAC Procedures, “A” through “O”, are not required for this application. Please complete only the applicable attachments listed below.

This checklist is provided to ensure that a completed Application package is filed with CIDFAC. If an attachment does not apply, please write N/A in the space provided.

Your Application package must contain the following:

- _____ \$1,250 initial filing fee made payable to CIDFAC.
- _____ Two (2) Completed and signed Application forms
- _____ Evidence that the Borrower is located in a Federally mandated Empowerment Zone [Attachment A-1]
- _____ Adopted Inducement Resolution [Attachment A]
- _____ Evidence of TEFRA hearing (either adopted resolution or certification)[Attachment B]
- _____ Evidence of Credit Enhancement or Bond Purchase Commitment [Attachment C]
- _____ Financial Statements for the past three years [Attachment E]
- _____ Evidence of ownership [Attachment G]
- _____ Description of proposed Project/Evidence of Ownership of Site or Site Control. [Attachment H]
- _____ Relocation documentation: [Attachment I]
- _____ Evidence of permits and approvals documentation [Attachment J]
- _____ Legal Status of Applicant and Project Sponsor [Attachment O]
- _____ Job Creation/Retention Worksheet [Attachment P]

[Note: Any subsequent mailings of additional Application materials should be in duplicate.]

ATTACHMENT F

VERIFICATION OF ZONING AND LOCAL APPROVALS

PROJECT NAME:

PROJECT ADDRESS:

ASSESSOR PARCEL NUMBER (S):

PLANNING FILE NUMBER:

PROJECT CITY:

The entire parcel upon that the above-described project will be located is zoned _____, which allows for industrial development of no greater than _____ square feet per acre or floor area ratio (FAR). Please indicate which measure is being used.

1. Does the project currently comply with all applicable local land use and zoning ordinances? If no, please explain.
2. Please describe the current zoning allowed for the site.
3. Has the Project Sponsor (Borrower) obtained all local approvals (other than a building permit) necessary to begin construction? If no, please explain.
4. Are there any outstanding approvals required by the Planning Commission, City Council, or Board of Supervisors for land use entitlements? If yes, please explain.
5. Are you aware of any state or federal approvals that may be required? If yes, please explain.
6. If any state or federal approvals are required, are you aware of whether the Project Sponsor (Borrower) has obtained the approvals? If no, please explain.
7. Are you aware of any challenges that have been made or threatened regarding any local, state or federal approvals that have been issued for the project? If yes, please explain

DATED: _____

Revised effective 1/1/03

STATEMENT COMPLETED BY: _____
(Please Print Name of Local Agency Representative)

SIGNATURE OF LOCAL AGENCY REPRESENTATIVE: _____

TITLE: _____

TELEPHONE: _____ FAX: _____ E-MAIL: _____

Attachment I

CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION APPLICATION SUPPLEMENT

LEGAL STATUS OF APPLICANT AND PROJECT SPONSOR

Applicant (Borrower) Name: _____

For purposes of the following questions, the term "Applicant" shall include the applicant and the project sponsor, the parent of the applicant and the project sponsor, and any subsidiary of the applicant or project sponsor if the subsidiary is involved in (for example, as a guarantor) or will be benefited by the application or the project. In addition to each of these entities themselves, the term "applicant" shall also include the direct and indirect holders of more than ten percent (10%) of the ownership interests in the entity, as well as the officers, directors, principals and senior executives of the entity if the entity is a corporation, the general and limited partners of the entity if the entity is a partnership, and the members or managers of the entity if the entity is a limited liability company.

CIVIL MATTERS

1. Has the Applicant filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against it, defaulted on a loan, or been foreclosed against in the *past ten years*? If so, please explain.

2. Is the Applicant *currently* a party to, or been notified that it may become a party to, any civil litigation that may materially and adversely affect (a) the financial condition of the applicant's business, or (b) the project that is the subject of the application? If so, please explain.

3. Have there been any administrative or civil settlements, decisions or judgments against the Applicant within the *past ten years* that materially and adversely affected (a) the financial condition of the Applicant's business, or (b) the project that is the subject of the application? If so, please explain and state the amount.

4. Is the Applicant *currently* subject to, or been notified that it may become subject to, any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency?

5. In the *past ten years*, has the Applicant been subject to any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency that resulted in a settlement, decision, or judgment? If yes to either question number 4 or 5, please explain.

CRIMINAL MATTERS

6. Is the Applicant *currently* a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, *felony charges* against the applicant? If so, please explain?

7. Is the Applicant *currently* a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, *misdemeanor charges* against the applicant for matters *relating to the conduct of the applicant's business*? If so, please explain.

8. Is the Applicant *currently* a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, *criminal charges* (whether felony or misdemeanor) against the applicant for any *financial or fraud related crime*? If so, please explain.

9. Is the Applicant *currently* a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, that could *materially affect the financial condition of the Applicant's business*?

10. Within the *past ten years*, has the Applicant been convicted of any *felony*? If so, please explain.

11. Within the *past ten years*, has the Applicant been convicted of any *misdemeanor related to the conduct of the Applicant's business*? If so, please explain.

12. Within the *past ten years*, has the Applicant been convicted of any *misdemeanor for any financial or fraud related crime*? If so, please explain.

I certify this information is accurate and complete.

Signature _____

Date _____

Title _____

ATTACHMENT P

		Currently				Two Years After Issuance				Two Years After Completion			
STATEWIDE OPERATIONS													
No. Of Locations													
Total Sales Volume													
		Full-Time	Part-Time	Temp.		Full-Time	Part-Time	Temp.		Full-Time	Part-Time	Temp.	
No. of Employees (Not Incl. Leased/Contracted Employees)													
Leased or Contracted Employees*													
Total Payroll													
Job Creation													
Job Retention													
PROJECT SITE													
Total Employment (Average Per Month)													
		Full-Time	Part-Time	Temp.	Average Hourly Wage	Full-Time	Part-Time	Temp.	Average Hourly Wage	Full-Time	Part-Time	Temp.	Average Hourly Wage
No. of Employees (Not Including Leased or Contracted Employees)	Management												
	Skilled/Semi-Skilled												
	Unskilled												
	Average Hours												
TOTAL													
No. of Leased or Contracted Employees*	Management												
	Skilled/Semi-Skilled												
	Unskilled												
	Average Hours												
TOTAL													
TOTAL PAYROLL													
Job Creation	Management												
	Skilled/Semi-Skilled												
	Unskilled												
	Average Hours												
TOTAL													
Job Retention	Management												
	Skilled/Semi-Skilled												
	Unskilled												
	Average Hours												
TOTAL													

* Please provide company information (other than IDB applicant) for all leased or contracted employees.

Company Name:
Company Contact:
Address:
Telephone/Fax Number:
E-mail Address:

Please provide the Project Sponsor's (Borrowers)
California Unemployment Insurance Account
Number: